



# BOARD/GOVERNANCE POLICY

Title: <b>Charitable Contributions, Auctions, and Raffles</b>	Number: (insert policy #-optional)
Cross Reference: (include other policies that may relate)	
Approved by: Illinois State Council Board of Directors	Origination Date: 1/1/2011
Revised by: Illinois State Council Board of Directors	Approval Date: 11/4/2017
	Revision Date: 11/4/2017

## **POLICY:**

- 1.1 Illinois State Council is exempt under IRS Code Section 501(c)(3) and is eligible to accept tax-deductible charitable contributions

## **STANDARDS/CRITERIA:**

- 2.1 Allowable charitable deduction for auction items
  - 2.1.1.1 The donor is responsible for determining the value of the auction item for purposes of federal tax treatment of the contribution.
  - 2.1.1.2 If a successful bidder pays more than fair market value for merchandise, goods, or services, the amount paid that is more than the value of the item can be a charitable contribution if the bidder paid with the intent to make a charitable contribution.
- 2.1.2 Raffle Tickets
  - 2.1.2.1 The IRS has consistently enforced the rule that the amount paid for the chance to win a prize is equal to the market value of the chance of winning. As a result, there is no charitable contribution deduction allowed for purchase of a raffle ticket.
  - 2.1.2.2 The committee holding a raffle is responsible for obtaining a raffle license. Licenses are specific to the location where the raffle is being held.